

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
OFFICE OF THE DIRECTOR**

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July 26, 2005

Editor  
Sacramento Bee  
P.O. Box 15779  
Sacramento, California 95852

Dear Editor,

As the Director for the California Department of Housing and Community Development, I must disagree with the Bee's ultimate conclusion as stated in the title of the article "Housing Bond Doesn't Deliver," July 24, 2005. I believe most reasonable people would find that the State has met the representations provided to the voters in every significant way, providing desperately needed affordable and safe housing, and has done so despite unforeseeable challenges that have impacted the entire California real estate market.

Here are the key facts:

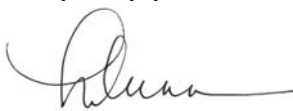
- Housing production forecasts made in 2002 were good faith estimates which relied upon market conditions existing at the time and reasonable estimates of future activities. As the article acknowledges, the cost of labor, materials, and land have sky-rocketed today. I believe taxpayers understand that actual results may differ from projections for practical and legitimate reasons. With the Housing Bond awards at the half-way mark, the State is updating its projections to reflect 2005 information and current conditions. The reality is that tens of thousands of Californians have found safe and affordable shelter that would not have existed without the Housing Bond. That is what the voters intended and that is what has been, and continues to be, delivered.
- The Housing Bond purposely did not authorize "set asides" for certain economic groups yet the bond continues to fund a wide array of programs to a variety of housing needs as detailed by the Bee. Veterans, seniors, battered women, the disabled all have been beneficiaries of shelter and services they would not have received without the Housing Bond. Results from these programs are publicly reported on the Department of Housing and Community Development's website ([www.hcd.ca.gov](http://www.hcd.ca.gov)). We agree that each program should be tracked separately to measure success and steer appropriate course corrections. We are using this mid-point evaluation to improve the detail and value of our reports.
- No one questions that the demand for new and rehabilitated housing in this State far outweighs the supply with significant consequences for our economy, our environment and our overall quality of life. Housing Bond proceeds have been allocated at a historically rapid rate to respond to this tremendous unmet need. Expediting the award of funds also reduces the impact of escalating land and construction costs. Just two and a half years after the measure took effect, this Department has awarded over 60% of the dollars for which it is responsible. Most of the remaining dollars will be awarded by 2007, a full year ahead of schedule.

- Since 2002, the Housing Bond has provided almost \$100 million for homeless shelter and transitional housing development, expansion, and repair. The Department has awarded another \$100 million to provide permanent service-enriched housing for disabled homeless individuals and families. These awards have created or rehabilitated 9,055 shelter spaces and 1,543 permanent rental units for thousands of men, women and children--exactly the “housing and emergency shelter” development the voters endorsed in 2002.
- Much of the funding has been committed to providing 8,600 units of rental housing in what the article acknowledges are the most expensive housing markets in the country. The Department continues to project that approximately 13,000 apartment homes in total will be created within the next two years.
- Affordable home ownership programs within the bond have allowed over 12,000 lower income families to become or remain homeowners.

First and foremost, California leaders and communities must “take care of their own” by increasing overall housing supply for the full population. However, funding programs such as those under the Housing Bond are a critical component to meeting the needs of our most vulnerable.

We welcome the Bee’s examination of the Housing Bond, but we are disappointed that the lengthy article gives only a token mention of the thousands of California families, seniors, and homeless individuals whose lives have been touched and improved by the investment of Housing Bond funds. I’m very proud of the accomplishments these funds have made to date and want to assure the taxpayers of California that the State will continue to uphold the promises made to voters in 2002.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Lucetta Dunn', with a stylized, flowing script.

LUCETTA DUNN  
Director